

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
**NET OPERATING LOSS (NOL) DEDUCTION FOR COMBINED
 GROUPS**

SEQUENCE #7

**WHEN TO USE
THIS FORM**

Use this form to detail the Net Operating Loss carryforward amounts which comprise the current taxable period net operating loss deduction taken on NH-1120-WE.

For the CALENDAR year **2002** or other taxable period beginning _____ and ending _____
 Mo Day Year Mo Day Year

PRINCIPAL NEW HAMPSHIRE BUSINESS ORGANIZATION

FEDERAL EMPLOYER IDENTIFICATION NUMBER

NEW HAMPSHIRE NEXUS MEMBERS**(A)**

Ending date of tax year in which NOL occurred as calculated pursuant to RSA 77-A:4,XIII and Rev. 303.03

(B)

NOL amount available for carry forward. See instructions for limitations.

(C)

Amount of NOL carry forward which has been used in taxable periods prior to this period.

(D)

Amount of NOL to be used as a deduction in this taxable period.

(E)

Amount of NOL to carry forward to future taxable periods. See Instructions for limitations.

NEXUS MEMBER NAME _____

FEDERAL EMPLOYER IDENTIFICATION NUMBER _____

Mo Day Yr

1				1				1				1				1			
2				2				2				2				2			
3				3				3				3				3			
4				4				4				4				4			
5				5				5				5				5			
6				6				6				6				6			
7				7				7				7				7			
8				8				8				8				8			
9				9				9				9				9			
10				10				10				10				10			

11 Amount of NOL Carry forward deducted this taxable period (total of Column D) ... 11

NEXUS MEMBER NAME _____

FEDERAL EMPLOYER IDENTIFICATION NUMBER _____

Mo Day Yr

1				1				1				1				1			
2				2				2				2				2			
3				3				3				3				3			
4				4				4				4				4			
5				5				5				5				5			
6				6				6				6				6			
7				7				7				7				7			
8				8				8				8				8			
9				9				9				9				9			
10				10				10				10				10			

11 Amount of NOL carryforward deducted this taxable period (total of Column D) 11

This is the amount to be reported on NH-1120-WE.

NOTE: Column B less Column C should equal the sum of Column D plus Column E. Use additional Forms DP-132-WE if you have NOL carry forward deduction (s) from more than two entities.

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 INSTRUCTIONS

NOTE: This worksheet is applicable only within the combined group members are the same in all taxable periods. See Rev 303.03

If there are more than two NH nexus members of the combined group, then attach additional Forms DP-132-WE.

Column A	Enter the month, day, and year of each taxable period from which the NOL is being carried forward.
Column B	<p>Enter the amount of the NOL which is available for carryforward purposes. Per RSA 77-A:4, XIII, the carryforward amount is computed by first carrying the loss back three years and then offsetting the loss by any profits during those 3 tax periods. (However, no NOL deduction is allowed in those carryback years.) If there is more than one NH nexus member in the combined group, then the carryback loss must be allocated in accordance with the NH administrative rules, Rev 303.03(d) or Rev. 303.03 (e).</p> <p>For example entities with tax year ending on or before 6/30/02 can take a five year carryforward and entities with tax year ending on or after 7/1/02 can take a 10 year carryforward. To be eligible for the 10 year carryforward period, the net operating loss must have been incurred in a period ending on or after July 1, 1997.</p> <p>If a loss remains after carryback, offset and allocation (if any), then the remaining loss must be apportioned using the apportionment percentage of the loss period. The apportioned loss cannot exceed \$250,000 for each nexus member of the combined group.</p>
Column C	Enter the NOL amount that was claimed as a deduction in the prior taxable period(s).
Column D	Enter only those amounts that will be claimed as a deduction this taxable period.
Column E	Enter the excess amount(s) available for future deduction.

The RSA's and administrative rules regarding net operating loss provisions (RSA 77-A:4,XIII and Rev 303.03) may be obtained from our web site at www.state.nh.us/revenue or by visiting any New Hampshire Depository Library or the New Hampshire State Library, 20 Park Street, Concord, NH 03301, where copies of forms, laws, and rules can be made for a fee. Forms may be ordered for free 24 hours a day, 7 days a week by calling our forms line at (603) 271-2192.

New Hampshire Department of Revenue Administration's Administrative Rule Rev 303.03 of the Business Profits Tax Chapter includes NOL sample calculations. This rule, as well as all other Department of Revenue Administration's rules and statutes, are available from our website at: www.state.nh.us/revenue. If you do not have access to the internet, or if you have specific questions concerning net operating loss provisions for combined filers, please contact the NH Department of Revenue Administration, Audit Division, 45 Chenell Drive, Concord, NH 03302-0457, telephone (603)271-3400. For hearing or speech impaired individuals, call TDD Access Relay NH 1-800-735-2964.

IMPORTANT - REV 303.03 NET OPERATING LOSS DEDUCTIONS

Rev 303.03(a)	A NH Net Operating Loss may be carried forward for five or ten years following the loss year provided, however, that no loss amounts incurred prior to January 1, 1989 shall be used to calculate the NOL deduction.
Rev 303.03(b)	<p>Carryback Of Loss Required. For purposes of calculating the amount of any net operating loss deduction allowed under RSA 77-A:4, XIII, section 172 of the Internal Revenue Code in effect on December 31, 1996 shall be followed, except that:</p> <ol style="list-style-type: none"> (1) Any loss amount shall first be carried back to those tax years required by the Internal Revenue Code without application of the election in section 172(b) (3) and applied to any income in the carryback tax years, before any remaining loss is carried forward as a net operating loss deduction. (2) The carryback of losses as provided in (1) above shall result in neither an allowable net operating loss deduction in the carryback years nor a refund of previously paid taxes. Amended returns filed for such purposes shall be prohibited. (3) The business organization's failure to carry back net operating losses and apply them to the income of prior profitable years shall result in the loss being presumed to be fully absorbed in the carryback year(s).
Rev 303.03(c)	The Net Operating Loss carryforward shall be apportioned pursuant to RSA 77-A:3, RSA 77-A:4, and Rev 304.